

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Dynasty Resources Limited (**Company**)

ABN

80 110 385 709

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 222,178,004 Ordinary Shares (New Shares) to be issued under a pro-rata renounceable Rights Issue as described in ASX Announcement lodged with the ASX on 28 May 2015.

The exact number of New Shares to be issued pursuant to the Rights Issue is not known at the date of this Appendix 3B as more shares may be issued before the Record Date for determining shareholders' entitlements if options are exercised. Additionally, the exact number of New Shares that may be issued remains subject to the reconciliation of shareholder entitlements and the effects of rounding. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

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4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes. Ranking equally in all respects with existing ordinary shares.</p>
5	Issue price or consideration	<p>\$0.01 per New Share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds from the fund raising will be used to:</p> <ul style="list-style-type: none"> – Maintain the Company’s most prospective tenements; – Fund operational expenses; – Provide working capital for the Company to review and pursue strategic opportunities.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>21 November 2014</p>
6c	Number of +securities issued without security holder approval under rule 7.1	<p>Nil</p>
6d	Number of +securities issued with security holder approval under rule 7.1A	<p>Nil</p>
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>Nil</p>
6f	Number of securities issued under an exception in rule 7.2	<p>Up to 222,178,004 Ordinary Shares (New Shares) to be issued under the Rights Issue are expected to fall within Exceptions 1 and 2 of rule 7.2.</p>

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6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	On or around 26 June 2015	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number 370,296,673	⁺ Class Fully paid ordinary shares
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number 8,000,000	⁺ Class Options, exp 18 Sept 15, ex \$0.05
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change	

Part 2 - Bonus issue or pro rata issue 1. N/A 2. See below

11	Is security holder approval required?	No	
12	Is the issue renounceable or non-renounceable?	Renounceable	
13	Ratio in which the ⁺ securities will be offered	3 New Shares for every 2 Ordinary Shares held as at the Record Date	
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares	
15	⁺ Record date to determine entitlements	7.00pm (WST) on 3 June 2015	

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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Rights Issue they will be rounded down to the next whole number of New Shares
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand, and certain categories of investors in China, Hong Kong and Malaysia and any other jurisdictions into which it is decided to make offers
19	Closing date for receipt of acceptances or renunciations	22 June 2015
20	Names of any underwriters	Cyberstore Technology Limited (Hong Kong)
21	Amount of any underwriting fee or commission	Nil
22	Names of any brokers to the issue	Investcorp Australia
23	Fee or commission payable to the broker to the issue	16,000,000 ordinary shares to be issued subject to shareholder approval to be sought after completion of the Rights Issue
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Nil
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	9 June 2015
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	29 May 2015
28	Date rights trading will begin (if applicable)	1 June 2015
29	Date rights trading will end (if applicable)	15 June 2015

+ See chapter 19 for defined terms.

30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Contact their broker and provide the relevant details as requested which will appear on the Entitlement and Acceptance Form accompanying the offer document on or before 1.00pm (WST) on 15 June 2015.
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Contact their broker and provide the relevant details as requested which will appear on the Entitlement and Acceptance Form accompanying the offer document on or before 1.00pm (WST) on 15 June 2015. To take up the remaining part of their entitlements, security holders should complete and return the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the application money (for the number of offer shares they wish to take up) or using the BPAY instructions set out in the Entitlement and Acceptance Form.
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Transfer all or part of their entitlement to another person by way of an off-market transfer. Complete a standard renunciation form (which can be requested from their broker or the Company's Share Registry, Security Transfer Registrars Pty Ltd), and return it together with the Entitlement and Acceptance Form (completed by the transferee) and the transferee's cheque to the Share Registry by 5.00 pm (WST) on 22 June 2015.
33	⁺ Despatch date	26 June 2015

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

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- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38	Number of securities for which ⁺ quotation is sought	N/A	
39	Class of ⁺ securities for which quotation is sought	N/A	
40	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 38)	Number N/A	⁺ Class

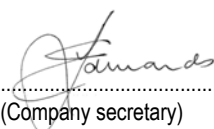
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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 28 May 2015
(Company secretary)

Print name: Louise Edwards

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	118,518,669
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • Include only ordinary securities here – other classes of equity securities cannot be added • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items 	Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	118,518,669
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	17,777,800

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Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>15,000,000 (January 2015)</p> <p>2,748,133 (May 2015)</p>
"C"	17,748,133
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	17,777,800
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	17,748,133
<p>Total ["A" x 0.15] – "C"</p>	<p>29,667</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	118,518,669
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	11,851,867
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	11,851,867
“E”	11,851,867
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	11,851,867
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	11,851,867
Total [“A” x 0.10] – “E”	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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28 May 2015

ASX Announcement

CLEANSING STATEMENT – RIGHTS ISSUE

The Company announced on 28 May 2015 a fully underwritten pro-rata renounceable Rights Issue on the basis of three fully paid ordinary shares (New Shares) for every two Shares held by eligible shareholders on the Record Date, at a price of \$0.01 for each New Share (“Rights Issue”) to raise approximately \$2.22 million (before expenses).

For the purposes of section 708AA(2)(f) of the Corporations Act as notionally modified by Australian Securities and Investments Commission the Company advises that:

- (a) the offer of New Shares for issue is being made without disclosure to investors under part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act; and
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act.
- (e) It is not possible to predict the effect of the Offer on the control of the Company. There are a number of possible outcomes that may arise which will, largely, depend on the extent to which Eligible Shareholders take up their rights (Rights).

If all Eligible Shareholders take up their Rights, each Eligible Shareholders percentage ownership interest (and voting power) in the Company will remain and the effect on the control of the Company will be negligible. To the extent that any Eligible Shareholder fails to take up their Rights, then that Eligible Shareholder’s percentage holdings in the Company will be diluted by those other Eligible Shareholders who take up some or all of their Rights. If no Eligible Shareholders (other than the underwriter) take up their Rights (which the board considers unlikely), then the underwriter will be required to subscribe or procure subscriptions from others, for all the New Shares.

The impact on control is represented in the table below reflecting various scenarios of participation by Eligible Shareholders.

Scenario	Cyberstore (Underwriter) voting power
Existing holding prior to the Rights Issue	9.86%
0% shortfall	9.86%
25% shortfall	23.38%
50% shortfall	36.90%
75% shortfall	50.42%
100% shortfall	63.94%